achieve economic integration of the region to drive Asia's emergence as the epicenter of global economy; and

(b) if so, the details of views expressed, if any, by other Asian countries and further initiatives taken/proposed to be taken to carve out a viable regional economic union?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) The idea of an Asian Economic Community, bringing together the ASEAN 10, Japan, China, Republic of Korea and India was first put forward by India at the 2nd India-ASEAN Summit held in Bali, Indonesia in October, 2003. The subject was again raised by Prime Minister at the 3rd India-ASEAN Summit held in Vientiane, Lao PDR on November 30, 2004. India had suggested that if the fourteen countries combined into a broader Asian Economic Community, it could promote their overall competitiveness and create a new engine of growth for the entire region.

(b) The idea is being discussed by ASEAN countries among themselves and can be expected to only gather strength in a steady manner. A broad consensus in India is also emerging at the same time. The RIS, an autonomous think tank, has organized two international conferences in 2003 and 2004 on the Asian Economic Community for opinion building in favour of the idea. The first RIS organized international conference was held in New Delhi on March 10 & 11, 2003 and the second conference was held in Tokyo on November 18 & 19, 2004. These were participated by eminent scholars, experts and policy makers from China, Japan Korea, Malaysia, the Philippines, Singapore and Thailand.

Mizoram as a gateway to ASEAN nations

239. SHRI B.J. PANDA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Mizoram is all set to become a gateway to ASEAN nations;

(b) which are the other centres for trade with ASEAN in the NE region;

(c) what are the main exchangeable items across the borders; and

(d) how far will this help to improve the economy of the NE region?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) India shares a common border with only one ASEAN nation *viz.* Myanmar. Zokhawthar in Mizoram has been inaugurated as a border trade point with Myanmar on 30-1-2004. Trade with Myanmar, including border trade, is also taking place through the land Customs Station located at Morch in Manipur.

(c) 22 locally produced items have been notified for border trade with Myanmar *inter-alia* including Mustard/Rape Seed, Pulses and Beans, Fresh Vegetables, Fruits, Garlic, Onion, Chillies, Bamboo etc.

(d) Border trade in locally produced commodities is likely to help in improving the economy of the region.

Rising trade deficit

240. SHRI MURLI DEORA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the trade deficit has been rising from $ 15 billion in 2003-04 to $ 30 billion in 2004-05 indicating that our exports have been significantly falling behind imports;

(b) whether the exports of more labour intensive products like textiles and food products increases employment whereas the reverse goes for imports;

(c) whether in China exports have been running ahead of imports inspite of the increase in oil price; and

(d) the steps taken by Government to remedy the rising trade deficit?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) As per the Directorate General of Commercial Intelligence and Statistics (DGCI&S), Kolkata, trade deficit during 2003-04 and 2004-05 was US $14 billion and US $ 28 billion respectively.

(b In general, export of more labour intensive products should result in increase in domestic employment. Reverse relationship may not necessarily hold true, especially if imports are required as inputs for manufacturing products used for domestic consumption or exports.